

June 15, 2015

Senator Phil Pavlov, Chair
Senate Committee on Education
905 Farnum Building
Lansing, Michigan

Dear Chairman Pavlov:

I write today to express MASB's thoughts on House Bills 4325-4330, known as the early warning package. MASB supports an effective early warning system and providing school districts with the data and support they need to avoid deficit.

We appreciate the work you have put into this package to make it more effective and fair for our districts. As you know, MASB was opposed to these bills as they passed the House. However, the S-1 substitute to House Bill 4325, which we have had the opportunity to review, contains many positive changes. The burden of reporting on our local districts is significantly less in this version than what we have seen previously and the option for an intermediate school district to lend assistance to a struggling district is a welcome addition.

While we are removing our opposition to the main part of the package, we do have a few lingering issues. One of which is the lack of definitions of key terms in House Bill 4327. Terms such as "operating deficit," "rapidly deteriorating financial circumstances," "persistent declining enrollment," "indicators of financial distress" and "a fund" should be clearly defined and remain consistent throughout the package.

We also continue to oppose House Bill 4329 because it allows the Department of Treasury to determine if a school district should receive an emergency manager and bypass all of the due process and transparency that was put in place in the emergency financial manager law. Hopefully, with an effective early warning package in place, the road to an emergency manager will not be necessary and certainly should not be circumvented.

Once again, thank you for diligent work on this issue and including MASB as well as others in the discussions on this package. We are now neutral on HB4325 (S-1) and HBs 4327, 4328 and 4330 as passed by the House. We continue to oppose House Bills 4326 and 4329.

If you or any of your committee members have further questions, please do not hesitate to contact me at 517.204.6015 or jsmith@masb.org.

Sincerely,


Jennifer Smith
Director of Government Relations

MASB
MICHIGAN ASSOCIATION
OF SCHOOL BOARDS

Michigan Association
of School Boards

200 E. Tenth Avenue, Ste. 400
Lansing, MI 48202

313.259.1821
ext. 301/2000

masb.org